

# **Nineteenth Annual Report 2011 - 2012**



**RELIABLE VENTURES INDIA LIMITED**

**Regd. Office:**

"Reliable House"

A-6, Koh-e-fiza, Indore Road

Bhopal -462001 (MP)

Phone: 0755-2539592

**BOARD OF DIRECTORS:**

Mr. Sikandar Hafiz Khan : Chairman & Mg. Director

Mr. S. Shankar Narayanan : Director

Mr. Chandan Mitra : Director

Mr. Parkash Singh : Director

Mr. Rajendra Malpani : Director

Mr. Abdul Tahir : Director

Mr. Ranjay K. Dawar : Director

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Mr. S. S. Raghuwanshi

**BANKERS:**

Vysya Bank Ltd., Malviya Nagar, Bhopal

Bank of Baroda, Habibganj Branch, Bhopal

HDFC Bank Ltd., Arera Colony, Bhopal.

**AUDITORS:**

M/s. MAK & Associates,

Chartered Accountants

Indore, MP.

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**RELIABLE VENTURES INDIA LIMITED**  
Regd. Office: "Reliable House", A-6, Koh-e-fiza  
Indore Road, Bhopal- 462 001 (M.P.)

**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the members of the Reliable Ventures India Limited will be held on **Saturday, the 29<sup>th</sup> day of Sept., 2012** at 4.00 PM at Hotel Noor-U-Sabah Palace, VIP road, Bhopal, Madhya Pradesh, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2012, Profit & Loss Account for 12 months period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. S. Shankar Narayanan who retires by rotation and, being eligible, offers himself for re-appointment as such.
3. To appoint Director in place of Mr. Abdul Tahir who retires by rotation and, being eligible, offers himself for re-appointment as such.
4. To appoint MAK & Associates, the retiring Auditors as Auditors of the Company to hold office as such from the conclusion of this meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remunerations.

held on 25<sup>th</sup> day of August, 2011, and pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions contained under the Companies Act 1956 read with Part-II, Section II, Clause 1 (A) of Schedule XIII to the said Act all other applicable provisions of the Act or any statutory modifications or re-enactment thereof, Article 96 of the Articles of Association of the Company and subject to such further sanctions and permissions as might be necessary, the appointment of Mr. Rajendra Malpani, one of the Directors of the Company, as Whole Time Director and designated as Executive Director for a period of 3 years commencing from 1<sup>st</sup> day of October, 2011, be and is hereby approved on the terms, conditions and payment of remuneration as set out in the attached explanatory statement hereof and that in the event of inadequacy or absence of profits in any financial year / years, the remuneration comprising of consolidated salary of Rs. 50,000/- ( Rupees Fifty Thousand only) as set out in the explanatory statement to the resolution be paid to him as minimum remuneration and that the Board of Directors of the Company be and are hereby authorized to review/ enhance the remuneration payable to Mr. Malpani within the limits specified in the said part / section and clause of the said Schedule of the Act"

By Orders of the Board  
**S. SHANKAR NARAYANAN**  
DIRECTOR

Bhopal :25<sup>th</sup> Aug, 2012

**SPECIAL BUSINESS:**

5. To consider and pass , with or without modifications, the following resolution as special resolution

**"RESOLVED THAT** in term of the Resolution adopted by the Board of Directors of the Company in its meeting

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THAT IN ORDER TO BE VALID, THE INSTRUMENT OF PROXIES DULY COMPLETED IN ALL RESPECTS MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 (FORTYEIGHT) HOURS BEFORE THE MEETING.
2. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting is given in the Annexure to the notice.
3. The Register of members and transfer books of the Company shall remain closed w.e.f. Sept. 27, 2012 to Sept. 29, 2012 both the days inclusive for the purpose of the Annual General Meeting.
4. M/s. Sharex Dynamic (India) Pvt. Limited having its registered office at 17/B, Dena Bank Building, Horniman Circle, 2<sup>nd</sup> Floor, Fort, Mumbai 400 001 continue to act as Registrar and Share transfer agents of the Company. The said company at its unit NO.1 located at Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), and Mumbai-400072 under takes the share registry job.
5. The Company has established connectivity with both the depositories namely NSDL and CDSL, Mumbai and the ISIN allotted to the security of the Company is **INE419H01019**. Shareholders who have not yet opened Demat account so far are requested to open the account with the depositories of their choice and surrender the physical certificates of the security for dematerialization.
6. The Company has started maintaining of a functional website that contains basic information about the company and it can be accessed by interested entities as and when needed. Its address is "Noorussabahpalace.com"
7. Members / duly appointed proxies should bring the enclosed attendance slip, duly filled in, for attending the meeting
8. The members are requested to:
  - a. quote their Folio Number(s)/ Client ID numbers in all correspondence with the Company and
  - b. notify the Company about changes in their postal addresses, if any.
9. A copy of the notice is being posted on the aforesaid website of the Company

**RELIABLE VENTURES INDIA LIMITED: BHOPAL****ANNEXURE TO THE NOTICE OF 19TH ANNUAL GENERAL MEETING.**

Name of the Director	Mr. S. Shankar Narayanan	Mr. Abdul Tahir
Date of Birth	05/05/1952	12/09/1971
Nationality	Indian	Indian
Date of initial Appointment	10/08/1996	29/07/2011
Date of last re-appointment	30/09/2010	30/09/2011
Qualifications	B.Sc & CAIIB	MBA-Marketing
Expertise in Functional Area	Ex-Banker from Bank of India & Middle East, UAE, Expert in Financial Management, Project Financing and Industrial Relations.	Possess long and proven experience in strategic business & market planning, development, sales forecasting
No of shares held in the Company	2000 Equity Shares of Rs. 10/- each	50000 Equity Shares of Rs. 10/- each
List of Directorships in other Indian Public companies	Reliable Smartcity Ltd.	Not Applicable
Position held in other companies in which he is Director as on 31/3/2010	Not Applicable	Not applicable

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

**ITEM NO. 5**

Acting upon the recommendations of the Remuneration Committee of the Company originating out of the long felt need of revamping the existing Account and Finance Function of the Company and ensuring that the said functions are carried out in accordance with, in time and within the purview of law and there remains no probability of any shortcomings in the matter of compilation and reporting thereof by induction of at least one well versed full-time supervisor followed by identification of Mr. Rajendra Malpani, one of the rotational Directors of the Company as most suitable hand for the purpose, the Board of Directors in its meeting held on 22<sup>nd</sup> day of October, 2011 approved the appointment of Mr. Rajendra Malpani, as Whole-time Director designated as Director –Finance & Accounts of the Company and recommended payment of remunerations to him by way of a fixed Salary of Rs. 50,000/- ( Rupees fifty Thousand only) on monthly basis subject to the ceiling specified under Para (A) Part and Section II of Schedule XIII of the Companies Act, 1956.

Mr. Rajendra Malpani is a young and dynamic management consultant and possess over 20 years of experience as consultant in the Finance, Account and Taxation Segments He is one of the members of the Audit and Remuneration Committees He holds 5007 equity shares of the Company and does not have any other pecuniary relationship with the company, its promoters and its managerial personnel. Except remuneration and sitting fee approved by the Board, he is not paid any other remuneration by the Company. He holds directorship in seven private limited companies, namely, Goldshine Construction Pvt. Ltd., Sai Darshan Value Homes Private Limited, Sunbeam Vyapaar Private Limited, Radhe Kripa Developers Private Limited, Reliable Dairy and Farm product Private Limited, Reliable Carriers Private Ltd. and Noor-Us-Sabah Housing Projects Private Ltd.

The material terms & conditions of the appointment are as follows:

**1. Duties and reporting:**

The Appointee shall carry out such duties as may be entrusted to him by the Chairman and the Board at any time and from time to time and shall report to the Chairman and Managing Director of the Company.

**2. Period of reappointment:**

3 years from 1st day of October , 2011

**3. Remuneration:** Fixed remuneration of Rs. 50000/- ( Rupees Fifty thousand per month only)

The above remuneration shall be admissible to him as minimum remuneration even in the absence or in adequacy of profits and the Board of Directors of the Company shall be competent to approve periodical and upward revision in the remunerations within the limit specified under paragraph (A), Section and Part II of Schedule XIII of the Companies Act, as may remain in force at any time and from time to time.

**Other disclosures:**

In term of requirements of the said Paragraph of the said Schedule, your directors do hereby state, declare and confirm that the Company is a zero debt company, it has not accepted ay deposits from public, has not made any default in repayment in any of its debts, including public deposits or debentures or interest thereon for any period during the preceding financial years and before the date of proposed appointment of and payment of remuneration to Mr. Rajendra Malpani.

Since the appointment and payment of above remuneration to the said incumbent is subject to the approval of the Members in General Meeting, the Directors recommend adoption of the resolution contained under item No.5 of the annexed notice as special resolution.

None of the Directors, except Mr. Rajendra Malpani, is interested or concerned in the resolution

**By order of the Board  
For Rellable Ventures Indla Ltd**

**SD/-**

**S. SHANKAR NARAYANAN  
DIRECTOR**

**Bhopal:**

**Dated : August, 25, 2012**

**RELIABLE VENTURES INDIA LIMITED**  
**REGD. OFFICE: "RELIABLE HOUSE" A-6, KOH-E-FIZA,**  
**INDORE ROAD, BHOPAL**

**REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSIONS AND ANALYSIS**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

Your directors have pleasure in presenting to you their Nineteenth Annual Report together with the audited statement of accounts of the company for the 12 months period ended 31st March 2012

**FINANCIAL PERFORMANCE:**

During the 12 months period under report ended 31<sup>st</sup> March, 2012, your company earned an all-inclusive revenue of Rs. 1570.51 lakhs against Rs. 1329.28

lakhs earned in the corresponding period during the preceding financial year reporting a growth of Rs.241.23 lakhs being 18.14 per cent over the corresponding period in the preceding financial year/. During the period under report, the profit before extraordinary items rose marginally to Rs.269.46 Lacs from Rs 250.76. lakhs during the preceding financial year. The financial performance of the Company is summarized below:

**PROFIT & LOSS ACCOUNT**

	Amt in Rs. Lakhs	
Operating years >	2011-12	2010-11
Net sales	1542.79	1305.41
Other income	27.72	23.87
<b>Total income</b>	<b>1570.51</b>	<b>1329.28</b>
Profit before Interest and tax	269.46	250.76
Interest payment (net)	0.00	0.00
<b>Profit before extra-ordinary items</b>	<b>269.46</b>	<b>250.76</b>
Extra-ordinary items( prior period adj.)	5.41	0.26
<b>Profit after extra-ordinary item but before tax</b>	<b>265.34</b>	<b>250.50</b>
<b>Provision for taxes::</b>		
Current tax	53.21	(50.33)
Deferred tax liability	80.21	(76.00)
MAT credit entitlement	53.21	50.33
<b>Net profit</b>	<b>185.13</b>	<b>174.50</b>
<b>Total No. of equity shares of Rs. 10/- each</b>	<b>1101.29</b>	<b>110.129</b>
<b>Basic earning per share of Rs. 10/- each</b>	<b>1.68</b>	<b>1.58</b>

**BALANCE SHEET**

Amt in Rs. Lakhs

Operating years >	2011-12	2010-11
Net Non-current assets	244.39	2371.11
Net current assets	354.77	287.7
Misc. expenses	0	00
<b>Capital employed</b>	<b>2799.16</b>	<b>2658.81</b>
<b>Represented by</b>		
Equity capital	1101.29	1101.29
Reserve & Surplus	745.10	559.98
deferred tax	190.24	110.03
<b>Net worth</b>	<b>2036.63</b>	<b>1771.30</b>
Loan fund	762.53	887.31
<b>Capital employed</b>	<b>2799.16</b>	<b>2658.81</b>

**SHARE CAPITAL:**

During the period under report there has been no change in Share capital of the Company and, the authorized share capital of the company remained at its previous year level of Rs.2500.00 lakhs divided into 250, 00,000 Equity shares of Rs. 10/- each. The issued,

subscribed and paid-up share capital of the Company too remained at its level of previous year at Rs. 1101.29 lakhs divided into 110, 12,900 equity shares of Rs. 10/- each. The category-mix of the shareholdings and its distributions as at 31<sup>st</sup> March, 2012, have been as under:

Category of Shareholdings as at 31 <sup>st</sup> March 2012	Category of holders	Nos. held.	Per cent age of total
Promoters, friends, relatives & persons in concert.		5324512	48.348
Non-resident Indians		1005510	9.130
Indian general public		4682874	42.322
Total		11012900	100.00

**Distribution of Shareholdings as at 31<sup>st</sup> March 2012**

No. Of Shares held	No of Shareholders	% of share Holders	Total Shares held	% of share Holdings
1-100	241	13.62	14948	.14
101-200	97	5.48	18398	.17
201-500	821	46.38	397101	3.61
501-1000	275	15.54	250007	2.27
1001-5000	231	13.05	641929	5.83
5001-10000	28	1.47	212141	1.93
10001-100000	60	3.39	1890642	17.17
100001 & above	19	1.07	7587734	68.90
Total	1770	100.00	11012900	100.00



**CAPITAL EXPENDITURE:**

Up to the close of the financial year under report, your company incurred a capital expenditure of Rs 3127.77 lakhs including Work in process worth Rs. 8.02 against 3013.93 lakhs, including work-in-progress worth Rs. 32.26 lakhs in proceeding year, representing a capital expenditure of Rs. 113.84 lakhs during the period under report.

**PROJECT IMPLEMENTATION STATUS**

As the members are aware, out of the 70 rooms' facility planned by the company, till the close of preceding financial year it had completed and opened for commercial use only 57 rooms. A very thin growth in term of financial performance of the company inhibited the proposed addition of 13 more rooms to the room inventory of the company and despite a capital expenditure to the tune Rs. 113.84 lakhs, the said addition of room is yet to be completed with the anticipation of its completion and commercial use by the end of the current financial year.

**"MANAGEMENT DISCUSSIONS AND ANALYSIS"****Company Approach to the Business**

The hospitality industry in India continued to be impacted by the slowdown in the domestic economy and adverse economic environment in the international feeder markets of the US and Europe. While the US market appears to be on the path of slow recovery, the European market is yet to come out of its debt problems and recession. As a result, both international and domestic business segments for the luxury hotels remained muted. In the backdrop of these challenging circumstances, the Hotels business registered a marginal growth in revenues and profits, while maintaining its leadership position in terms of operating margins. The company taking forward its objective to be a market leader has strengthened its base in the fiscal year 2011-2012. This is evident from the fact that Hotel is the first preferred destination for the High end clients visiting Bhopal. The rooms on offer are far more superior to any other existing hotel rooms in the city, and that is evident from the VVIP guests who stayed with us in the past year. Further, the Company's Vision is to emerge as a high end Hotel, offering the top quality products has added two more outlets of Wonder Bread making it a total of three stores offering wide range of bakery and confectionary products at a very nominal price.

A Major initiative to open an Industrial Bakery Production Unit which had been approved during the last financial year shall be commissioned by the end of this fiscal, boosting the group as a major bakery and confectionary player.

**Quality Management**

The hotel is recently conferred to as "Legend" Hotel by WelcomHeritage, which has been extended to the Top 8 properties in Welcomheritage chain. As part of ITC initiative these Legend Hotels are been exclusively promoted resulting in the increase in business. The Standard Operating Procedures have been altered and implemented so as to conform to the Standards laid down for Legend Hotels.

Food and Beverage (F&B) remains a major strength of the Company and its restaurant brands "Za-aika" and "Marble Arch" have been highly appreciated by its patrons and generated healthy business during the year. Banqueting has been a major foray for Noor-Us-Sabah palace and has been a preferred destination for all high end weddings and conference happening in the town.

Constant up-gradation of rooms and banquet halls is the key initiative taken by management to provide best of services to its patrons. The company is totally committed to provide & maintain quality at all levels. Systems and checks as set by the management from time to time are already in place to ensure that right from planning stage to procurement stage to production stage to service stage to accounting stage, quality is maintained at all levels. Standard Operating Procedures (SOP's) are being followed at all operational levels for implementation & for strict adherence which would be constantly reviewed to adapt to the changing service trends of hotel industry. The major initiative in Environmental practices has been initiated by the management, and some of the steps include Ban of Polythene bags, Conversion to LED lamps, Water conservation at all levels, Massive Tree plantation, Garbage Disposal Management etc.

**Performance Review**

The company has registered a modest growth of 14.58 in its Turnover over previous year. The company has achieved a pre-tax Profit of 265.34 lakhs for financial years 2011 -12 which is an increase of 5.92 % over previous year. Cash & Bank balance as at 31.03.2011 were Rs.241.79 lakhs. The Sundry Debtors as at 31.03.2011 were Rs. 87.87 lakhs which is only 5.59% of total turnover.

For the Financial year 2012-13, the company has plans to invest around Rs. 460.00 lakhs towards the final setup of Bakery Industrial Unit, Rs. 200.00 lakhs towards renovation of rooms, Rs. 105 .00 lakhs is towards opening of 7 more Bakery stores.

### **Internal Control Systems:**

All necessary controls, financial checks and otherwise as per statutory requirements as also towards making the company a highly profitable venture are in place. Internal controls as regards operations aimed at ensuring that the expenditure is in line with industry norms. Proper accounting procedures are being strictly adhered to. Total transparency in all transactions is maintained and all statutory licensing and dues to the State and central Government have been updated & are made on time. Reduction in cost will be a major focus area for next FY which will further aid in increasing profit margins and end up in a Healthy Operating Ratio

### **Opportunities**

Economic projections appear to indicate towards a Major Boom for the Hospitality Industry for the coming season. The Corporate and Conference segment along with foreign tourist segment is expected to show a decent growth.

A Multi Product SEZ which was proposed at Sehore is not yet commissioned which otherwise will give a major boost to the Hotel business as a whole. The Bhopal Airport is now an International Airport, and this is resulting in increase in number of flights being introduced. However, due to lack of International flights at present the actual impact is not felt.

Fast food is the culture of food at this moment. The success of Wonder Bread has inspired the management to increase number of stores to 10 within this financial year.

### **Threats:**

With the number of flights increasing from a particular destination into city in morning hours and out of the city the same evening, there will be a threat perception that corporate nights halts at Bhopal would drastically reduce. Also, the proposed launch of a competitor hotel with an inventory of 100 rooms shall directly affect room sales, and due to a drop in occupancy there could be a drop in Food and Beverage Revenue. Real Estate Developers have started to show interest in Bhopal. With the influx of companies like DLF, Ansals, Omaxe and the likes into the city, land and raw material prices have rapidly shot up. This has resulted in spiraling of projects costs. Current market players in Hospitality Industry in the city also have comprehended the boom in the market and thus have either made additions to their current setup or have made provisions to do the same in the current financial year. This again could make a dent in our market share. With the

advent of new players in the market, the competition is growing tougher by the day. Hiring and retaining of skilled and experienced manpower is becoming a challenge in the market today which will only multiply in coming years. With the increased fuel prices, corporate houses these days are focusing on reducing travel and boarding /lodging expenses thereby adversely affecting the hotel's revenue. Some corporate have gone step further and bought/hired/running guesthouses for their travelling executives & their offices in the city generally have a conference room attached to take care of routine and other weekly /monthly conferencing.

### **Risk and Concerns:**

The company is hopeful that the current buoyancy in the market will continue for a few years more and we foresee no potential risk to Hospitality Industry as of now. There is definitely a concern about the state Government not doing enough on infrastructure development so as to ease inflow of tourists and corporate.

### **Other Disclosures:**

The Hotel which is recently been conferred as WelcomHeritage Legend Hotel, shall strive to be the number one Hotel in Group. It shall work towards socio-economic growth, and in order to achieve this very goal shall focus on training the existing manpower in accordance with the customer requirements and perceptions.

### **Human Resources Development:**

Led with the realization of the fact that continuous up-gradation of skills and service delivery systems /inputs go a long with to make a decisive difference in the hotel industry, as a matter of policy, continues to invest in up-gradation of the quality of its human resources and lays emphasis on efforts to tone up skills of and service delivery by its existing manpower and keep them sponsoring for external training and skill development programmes at selected ITC hotels.

In the matter of employee's benefits and compensation, your company is not far behind the industry standards and with the growth of the company it will see that the benefits and compensation packages continue to remain tailored to the industry norms enabling it to hire and retain skilled and professional manpower.

Industrial relations scenario in the company throughout the year remained cordial. The employees remained committed to higher qualitative productivity. The management too on its part played its role in maintaining and promoting harmonious relation